

**APPENDIX 1: VARIABLE DESCRIPTION**

Variable	Explanation
Cyclically adjusted primary balance (CAPB)	Cyclically adjusted net lending or net borrowing of the general government expressed as a percentage of potential GDP.
Primary balance	Net lending or net borrowing of the general government, excluding the accumulated interest, expressed as a percentage of GDP.
Fiscal deficit	The difference between total government revenues and total government expenditures, expressed as a percentage of GDP.
Total expenditures	Total general government expenditure is the sum of: intermediate consumption, gross capital formation, compensation of employees payable, other taxes on production payable, subsidies payable, property income payable, current taxes on income and wealth payable, social benefits other than social transfers in kind payable, social transfers in kind related to expenditure on products supplied to households via market producers payable, other current transfers payable, adjustment for the change in the net equity of households on pension funds reserves, capital transfers payable and acquisitions of non-produced non-financial assets. Expressed as percentage of GDP.
Public debt	The total gross debt at nominal value outstanding at the end of the year of the sector of general government, with the exception of those liabilities the corresponding financial assets of which are held by the sector of general government; expressed as a percentage of GDP.
Output gap	The gap between actual and potential GDP, expressed as a percentage of potential GDP.

Source: AMECO

**APPENDIX 2: DESCRIPTIVE STATISTICS IN RELATION TO TABLE 3**

	FRI	CAPB	PB	FD	EXPTOT	PD	GDPGAP
Mean	0.205567	-2.4785	-0.0623	-2.6816	44.75150	56.30596	-0.3920
Median	0.056364	-2.3207	0.085024	-2.6081	44.67560	52.27270	-0.2294
Maximum	3.404152	6.604800	9.569870	6.855226	65.04150	180.8328	13.86441
Minimum	-0.9494	-29.8427	-29.1939	-32.0246	26.27230	3.663600	-15.9011
Std. Dev.	1.016582	3.241703	3.288394	3.481591	6.585120	32.69938	3.301018
Skewness	0.685398	-1.2807	-1.4617	-1.2809	0.098772	0.828948	-0.5659
Kurtosis	2.905300	11.32603	13.19034	11.19213	2.541713	3.946586	6.429239
Jarque-Bera	48.61723	1953.999	2894.019	1897.098	6.413037	93.84962	335.7940
Probability	0.000000	0.000000	0.000000	0.000000	0.040497	0.000000	0.000000
Sum	127.0407	-1531.7360	-38.4725	-1657.2190	27656.43	34797.08	-242.2833
Sum Sq. Dev.	637.6318	6483.829	6671.953	7478.949	26755.47	659727.0	6723.274
Observ.	618	618	618	618	618	618	618

**APPENDIX 3: DESCRIPTIVE STATISTICS IN RELATION TO TABLE 4**

	Group A				Group B			
	CAPB	FRI	GDPGAP	PD	CAPB	FRI	GDPGAP	PD
Mean	-1.953227	0.6675419	-0.569718	59.57123	-4.438872	-0.404339	-1.067135	75.873705
Median	-1.5402	0.444586	-0.508324	51.4014	-4.2349	-0.948171	0.0521681	73.581
Maximum	2.3319	3.404152	8.4147105	132.0413	6.2675	1.20611	6.9682402	180.8328
Minimum	-13.1307	-0.949364	-10.93071	13.031	-14.9492	-0.948171	-15.90114	21.8031
Std. Dev.	2.4321127	1.2272297	3.0265218	37.11895	3.6226042	0.7350268	4.6697298	41.207876
Skewness	-1.326759	0.9442045	-0.398336	0.508802	0.0069270	1.0891048	-1.169880	0.9961065
Kurtosis	6.8511832	3.0378786	4.6752474	1.984463	4.0559720	2.6758629	4.7426931	3.6291542
Jarque-Bera	81.111510	13.229566	12.760890	7.6645118	3.7640325	16.36761	28.726177	14.731022
Probability	0	0.0013404	0.0016944	0.0216607	0.1522828	0.0002791	5.78E-07	0.0006327
Sum	-173.8372	59.411225	-50.70491	5301.8399	-359.5486	-32.75149	-86.43796	6145.7701
Sum Sq. Dev.	520.53516	132.53615	806.06542	121247.88	1049.8609	43.221151	1744.5101	135847.12
Observ.	89	89	89	89	81	81	81	81

**APPENDIX 4: DUMMY VARIABLE STATISTICS (IN RELATION TO TABLES 3 AND 4)**

